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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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U.S. DIAGNOSTICS, INC.,

Plaintiff,

Case No. 08 CV 003
(Judge Baer)

against-

REPLY

HOME AIDE DIAGNOSTICS, INC.,

Defendant.

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Plaintiff U.S. Diagnostics, Inc. ("USD"), by its attorneys Cox Padmore Skolnik & Shakarchy LLP, for its reply to the Counterclaim contained in the Answer, Affirmative Defenses and Counterclaim (the "Answer") of defendant Home Aide Diagnostics, Inc. ("Home Aide") responds as follows:

1. USD admits the allegations set out in paragraph 69 of the Answer, except denies that the trademarks alleged therein are valid trademarks.
2. USD admits the allegations set out in paragraph 70 of the Answer.
3. USD admits the allegations set out in paragraph 71 of the Answer.
4. USD denies the allegations set out in paragraph 72 of the Answer, except admits that Home Aide denies any infringement, but avers that such denial is untrue.
5. USD denies the allegations set out in paragraph 73 of the Answer.

6. USD admits that Home Aide seeks the relief stated in paragraph 74 of the Answer, but denies that Home Aide is entitled to such relief.

7. USD admits that Home Aide seeks the relief stated in paragraph 75 of the Answer, but denied that Home Aide is entitled to such relief.

AS AND FOR A FIRST DEFENSE

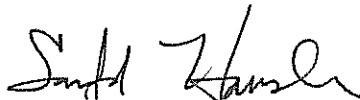
8. The counterclaim contained in the Answer fails to state a claim for which relief can be granted.

AS AND FOR A SECOND DEFENSE

9. Home Aide's counterclaim is barred by the doctrine of unclean hands.

WHEREFORE, the plaintiff demands judgment as set out in the Complaint and dismissal of the counterclaim, together with interest, the costs and disbursements of this action and such other and further relief as is just and proper.

Dated: May 27, 2008



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